



Agenda Date: 6/14/07
Agenda Item: 5C

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.bpu.state.nj.us

IN THE MATTER OF MIDDLESEX WATER)	<u>WATER</u>
COMPANY FOR APPROVAL TO ISSUE UP)	
TO 2,300,000 ADDITIONAL SHARES OF)	ORDER AUTHORIZING THE ISSUANCE
COMMON STOCK UNDER ITS DIVIDEND)	AND SALE OF COMMON STOCK
REINVESTMENT AND COMMON STOCK)	
PURCHASE PLAN)	DOCKET NO. WF07020090

(SERVICE LIST ATTACHED)

BY THE BOARD:

Middlesex Water Company ("Petitioner"), a public utility of the State of New Jersey, by Petition filed February 8, 2007 with the New Jersey Board of Public Utilities ("Board"), requests authority pursuant to N.J.S.A. 48:3-9 and N.J.A.C. 14:1-5.9, to issue and sell up to 2,300,000 shares of its Common Stock having no par value, through its Dividend Reinvestment and Common Stock Purchase Plan ("Plan"), to holders of record of its Common Stock.

Under said Plan, holders of record of Petitioner's Common Stock are entitled to elect to apply all or part of their dividends to the purchase of additional new issue shares of Common Stock and may also purchase said additional shares by means of optional cash payments at any time in an amount up to a total of \$25,000 per calendar quarter (minimum \$25 per payment) at a price equal to 100% of the average of the daily averages of the high and low sale prices for such shares as quoted by The Nasdaq Global Select Market for the five days on which Petitioner's Common Stock was traded on such market immediately preceding and ending on the applicable investment date or optional cash payment purchase date. The Plan also authorizes the Company to implement, from time to time, a 5% reduction in the purchase price of Common Stock for participants in the Plan.

Under the Plan, the Registrar and Transfer Company, located in Cranford, New Jersey ("Agent") may, for the benefit of participants, purchase directly from Petitioner authorized but unissued shares of Common Stock. Petitioner plans to issue to the Agent, from time to time, in accordance with the Plan, an aggregate of not more than 2,300,000 additional shares of Petitioner's authorized and unissued Common Stock.

The purpose of the Plan is to provide participants with a convenient and economical way of investing cash dividends paid on shares of Common Stock, as well as cash payments, in shares of Common Stock without payment of any brokerage commission or service charge. Shares of Common Stock purchased under the Plan by participants will be acquired directly from the Company.

The net proceeds from the sale of the Common Stock will be used by Petitioner to provide additional financing for its capital program, to pay short-term debt, and to maintain an appropriate balance in the capital structure of the Petitioner, including its regulated affiliates

The exact amount to be realized from the issuance and sale of the 2,300,000 additional shares cannot now be determined because it will depend upon the number of shares sold and the market prices during each pricing period. Staff is of the opinion that the issuance and sale of Common Stock through the Plan is an economical means of raising new capital.

The Division of the Rate Counsel has reviewed the Petition and supporting documents and is not opposed to its approval.

The Board, after investigation, being satisfied with the action proposed to be taken by Petitioner as described above, FINDS that the proposed transaction is to be made in accordance with law, is in the public interest, and approves the purposes thereof.

Therefore, the Board HEREBY ORDERS that Middlesex Water Company be and hereby is authorized to issue and sell up to 2,300,000 additional shares of Common Stock having no par value, through its Dividend Reinvestment and Common Stock Purchase Plan for holders of record as described above.

This Order is subject to the following provisions:

This Order shall not be construed as a certification that the securities authorized to be offered for sale will be represented by tangible or intangible assets of commensurate value or investment cost.

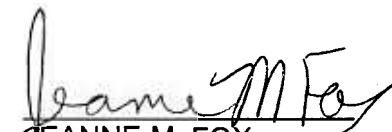
2. The Board's approval is expressly limited to the sale of Common Stock without par value described herein and as more fully described in the Petition and supporting documents.
3. This Order shall not affect or in any way limit the exercise of the authority of the Board or of the State in any future petition with respect to rates, franchises, services, financing, accounting, capitalization, depreciation, or any other matters affecting the Petitioner.


4. This order shall not be construed as directly or indirectly fixing for any purpose whatsoever any value of tangible or intangible assets now owned or hereafter to be owned by Petitioner.
5. Pursuant to N.J.A.C. 14:1-5.9(b) (1)-(2), Petitioner shall file semiannually with the Board a statement setting forth the following: 91) the amount of stocks or other evidence of indebtedness issued under this Order; and (2) the extent to, and in detail, the manner in which the proceeds thereof have been distributed.

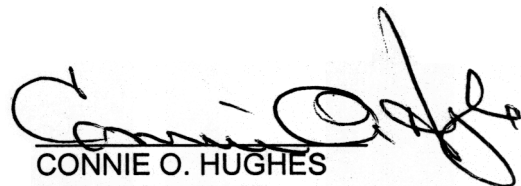
The effective date of this Order is as set forth below.

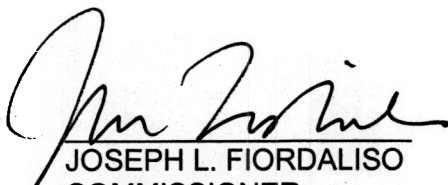
DATED: 6/20/07

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER


CONNIE O. HUGHES
COMMISSIONER

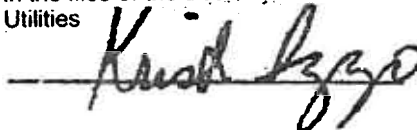

JOSEPH L. FIORDALISO
COMMISSIONER


CHRISTINE V. BATOR
COMMISSIONER

ATTEST:

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public
Utilities


KRISTI IZZO
SECRETARY



SERVICE LIST

In the Matter of Middlesex Water Company for Approval to Issue up to 2,300,000 Additional Shares of Common Stock under its Dividend Reinvestment and Common Stock Purchase Plan

Docket No. WF07020090

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